

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

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**UNITED STATES SECURITIES  
AND EXCHANGE COMMISSION,**

**Plaintiff,**

**v.**

**CARDINAL HEALTH, INC.,**

**Defendant.**

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**07-CV-6709-DAB  
ECF CASE**

**MOTION FOR ORDER DIRECTING CLERK TO DISBURSE FUNDS TO PAY  
FEDERAL TAX OBLIGATIONS (FIRST QUARTER 2008)**

Plaintiff, United States Securities and Exchange Commission (“SEC”) respectfully requests that the Court enter an Order directing the Clerk of the Court to disburse \$83,000 from the funds on deposit in this case to the Tax Administrator to pay the first quarter 2008 estimated tax liability.

On August 2, 2007, the Court entered a final judgment as to defendant Cardinal Health, Inc. (“Final Judgment”). In accordance with the terms of the Final Judgment, Cardinal paid a total of \$35,000,001 in disgorgement and civil penalties to the Clerk of this Court. As set forth in Section V of the Final Judgment, the SEC may propose a plan, subject to the Court’s approval, to distribute Cardinal’s payment pursuant to the Fair Funds provisions of Section 308(a) of the Sarbanes-Oxley Act of 2002. On August 15, 2007, the Clerk deposited Cardinal’s payment into a court registry investment system (“CRIS”) account identified by this case name and docket number (the “Distribution Fund”). The Distribution Fund is treated as a Qualified Settlement Fund (“QSF”) under section 468B (g) of the Internal Revenue Code, 26 U.S.C. § 468B(g), and

related regulations, 26 C.F.R. §§ 1.468B-1 through 1.468B-5, and is subject to the applicable income tax rules and regulations.

On August 21, 2007, the Court entered an order appointing Damasco & Associates LLP as Tax Administrator of the Distribution Fund. The Tax Administrator is required to execute all income tax reporting requirements applicable to the Distribution Fund, including the preparation and filing of tax returns in a manner consistent with treatment of the Distribution Fund as a QSF, and is required to ensure that such taxes are properly paid.

The Tax Administrator has determined that the Distribution Fund owes \$83,000 in estimated tax liability for the first quarter of 2008. This payment is due on April 15, 2008. *See* Declaration of Jude P. Damasco in Support of Request to Make Tax Payment, ¶ 3 (filed herewith). A proposed order directing the Clerk to disburse the funds to the Tax Administrator for this tax payment will be provided by the SEC concurrently with this motion.

For the foregoing reasons, the SEC respectfully requests that this Court enter the proposed order to permit the Tax Administrator to pay the Distribution Fund's 2008 first quarter estimated tax liability.

Dated: April 9, 2008

Respectfully submitted,

/s/

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